Applicants for grant assistance must provide responses to the categorical evaluation criteria AND the Administrative Priorities in their grant proposals. Both sets of evaluation criteria and the Historic Preservation Fund (HPF) grant program guidelines are given below for public review and comment. Please provide any comments to the DHPA Grants Staff by Monday, July 23, 2007. All public comments received will be presented at the meeting of the State Historic Preservation Review Board on July 25, 2007.

All public comments must be received in writing. Send comments by fax to 317-232-0693, by e-mail to skennedy@dnr.IN.gov, or by mail to DHPA Grants Staff, 402 W. Washington St., Room W274, Indianapolis, IN 46204.

FY2008 ACQUISITION AND DEVELOPMENT PRIORITIES
(There are no proposed changes for 2008)

Instructions: Provide complete but concise answers for each of the priority statements below. Please be as specific as possible in your answers, and explain exactly how the proposed project will meet the priority issues. Most projects will adequately address one or more priorities, while only partially addressing others, and will be scored accordingly. No project will address every priority statement. When a proposed project does not address a specific priority, mark "NA" as the response.

PRIORITY LEVELS FOR DEVELOPMENT PROJECTS AND WORK ITEMS:

High Priority Work Items:
- ❖ Stabilization of an endangered National Register-listed property
- ❖ Preservation of an endangered National Register-listed property
- ❖ Rehabilitation of an endangered National Register-listed property
- ❖ Restoration of an endangered National Register-listed property

Middle Priority Work Items:
- ❖ Preservation of a non-endangered National Register-listed property
- ❖ Rehabilitation of a non-endangered National Register-listed property
- ❖ Restoration of a non-endangered National Register-listed property
- ❖ Utilities upgrades and energy conservation measures for a National Register-listed property
- ❖ Preservation or restoration of interior features of high cultural or artistic value at a National Register-listed property

Low Priority Work Items:
- ❖ Acquisition of a National Register-listed property
- ❖ General interior rehabilitation of a National Register-listed property
- ❖ Other non-urgent rehabilitation activities at a National Register-listed property
- ❖ Undertakings for improvement of functionality and life-safety of a National Register-listed property

Ineligible/Unallowable Work Items:
- ❖ New construction
- ❖ Landscaping (other than grading necessary to correct drainage problems)
- ❖ Directional and/or interpretive signage
- ❖ Museum exhibits
- ❖ Any priority work items at a property that is NOT National Register-listed

20 pts   1.   Projects and activities that meet the criteria for "Priority Levels for Development Projects and Work Items" (see below). *Note: projects consisting entirely of "High Priority" work items will receive a maximum of 20 points; projects consisting entirely of "Middle Priority" work items will receive a maximum of 12 points; projects consisting entirely of "Low Priority" work items will receive a maximum of 6 points. Projects consisting of a mix of High, Middle, and Low Priority work items will receive a maximum of 14 points.*

20 pts   2.   Projects that will assist properties that are vacant, partially vacant, and/or severely threatened. *State whether the property is vacant or partially vacant, give a percentage of occupancy, and spell out which areas are occupied and unoccupied. Describe the current building conditions and how the building is threatened.*

20 pts   3.   Projects that will assist local community revitalization efforts and/or heritage corridor or heritage tourism development. *Describe how this project will stimulate other local revitalization projects, expand local heritage tourism opportunities, or otherwise improve the preservation and revitalization activities of the area in which the building is located. Explain how this project fits into any pre-existing community revitalization, heritage corridor development, or heritage tourism plans and/or will help achieve previously established long-range preservation and revitalization goals for the community. Please submit relevant documentation of any such plans.*

16 pts   4.   Projects that are feasible in technological and practical terms, meet the applicable "Secretary of the Interior's Standards for the Treatment of Historic Properties," and have adequate planning documents already in place. *Describe the work to be done and explain how it conforms to the "Secretary of the Interior's Standards." Also, describe any planning documents completed to date, such as feasibility studies, schematic design drawings, or architectural construction plans and specifications, and submit these documents with the grant proposal. Maximum points will be awarded ONLY to those projects that have sufficient planning documents in place to begin the project AND submit them for review with the grant proposal. Progressively reduced points will be awarded to: projects that have appropriate schematic plans in place and submit them with the grant proposal, projects that do not require plans, projects that have some planning documents but do not submit them with the grant proposal, and projects that have no planning documents in place at all.*

12 pts   5.   Projects that will assist minority- or disadvantaged-related resources. *Describe how the resource specifically relates, either historically or currently, to groups considered to be disadvantaged or minorities in terms of ethnic background, language, culture, religion, socio-economic conditions, or gender.*

12 pts.   6.   Properties that have received less than $50,000 total grant assistance from any DHPA-sponsored or DHPA-administered funding program within the last five years. *In addition to funding for preservation/rehabilitation work, this includes non-construction grant funding such as that awarded for the preparation of feasibility studies or plans and specifications and conducting archaeological investigations on the property. Properties that have received total grant funding of $50,000 or more in the last five years will not score any points; properties that have received grant funding totaling less than $50,000 in the last five years will score fewer than 12 points; properties that have not received any grant assistance in the last five years will score 12 points.*

10 pts   7.   Projects that will involve the rehabilitation or restoration of endangered historic resource types, including but not limited to: pre-1945 schools, Carnegie libraries, bridges, industrial buildings, rural resources, historic designed landscapes, Underground Railroad-related resources, historic theaters and opera houses, fraternal lodge buildings, former religious structures, etc. (Note that HPF grant funds CANNOT be used for the rehabilitation of properties currently used for religious

purposes or currently owned by religious organizations.) *Describe the resource and the factors that make it qualify as an example of an endangered resource type.*

8 pts 8. Projects that emphasize construction work, as opposed to the acquisition of a property or the preparation of plans and specifications. *Describe the work to be done and state what percentage of the project budget will go toward actual construction work, acquisition, and the preparation of plans and specifications. Maximum points will be awarded to projects that are entirely devoted to construction work, and that have appropriate plans and specifications already in place.*

8 pts 9. Projects that will provide workers with training or experience in an historic trade, skill, or craft that often is needed in preservation projects. *Describe the trade, skill, or craft that will be included as a part of the project, and give a detailed explanation of how any training components will be implemented. Examples of historic trades, skills, and crafts include but are not limited to: the installation of slate roofing and copper flashing and guttering, repair and replication of decorative plaster, repair and replication of decorative woodwork, advanced preservation technology, etc.*

6 pts 10. Projects that will assist properties that have been designated as National Historic Landmarks, or are listed in the National Register of Historic Places due to national significance. *State whether or not the property is a National Historic Landmark and describe its architectural and historical significance. Note that listing in the National Register is a requirement for HPF funding, but very few properties are designated as NHLs or listed because of national significance. Check the National Register nomination to verify the significance of the proposed property.*

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132 Points Possible

FY2008 ADMINISTRATIVE PRIORITIES
(There are no proposed changes for 2008)

Instructions: Provide complete but concise answers for each of the priority statements below. Please be as specific as possible in your answers, and explain exactly how the proposed project will meet the priority issues. Most projects will adequately address several priorities, while only partially addressing others, and will be scored accordingly. No project will address every priority statement. When a proposed project does not address a specific priority, mark "NA" as the response.

Max.
Score: Priority will be given to:

16 pts   1. Projects that have clear and measurable goals and will result in the creation of valuable products for the State. *Note that the scope of work must be realistic and commensurate with the amount of grant funding requested. Carefully describe the project methodology—how is the project going to be accomplished and what is the project going to produce? List the products or work items individually and specifically and include quantities if applicable (for example: Walking Tour Brochure, 500 copies). Please do not simply repeat the project description.*

16 pts   2. Projects whose sponsors have an individual capable of grant administration to act as Project Coordinator. *Provide the name of this person, list their qualifications and grant-administration experience (if any), and submit their resume with the project proposal. Note that the past performance of Project Coordinators on DHPA-funded grant projects is documented and will be considered.*

16 pts   3. Projects whose sponsors have an individual capable to act as Principal Investigator. *In some cases, the P.I. will be a member of the project sponsor organization and can be named in the application. In other instances, a P.I. will not have been identified at the time of application, but will be hired in the course of the grant. In this case, "To Be Determined" is a sufficient response and applicants will receive half credit for this criterion. Please note that any P.I. receiving payment for services as part of the grant budget MUST be hired according to federal and state procurement standards and contracts should NOT be arranged prior to the grant start-up. If a P.I. is donating services, or is being paid off-budget from the grant, please provide the name of this person, list their qualifications (they must meet applicable 36 CFR 61 qualifications) and any previous experience on grant projects, and submit their resume with the project proposal. Note that the past performance of Principal Investigators on DHPA-funded grant projects is documented and will be considered.*

16 pts   4. Projects that have realistic timetables. *Include a detailed timetable that shows the approximate amount of time (days, weeks, or months) that will be devoted to each of the various phases, tasks, or components of the project. Providing only the begin and end dates for the project does NOT constitute an acceptable timetable.*

16 pts   5. Projects that have realistic and reasonable budgets. *Include a detailed budget breakdown, indicate exactly how the various budget figures (line items) were computed, and include copies of any estimates received. Provide a justification for any items that are unusually expensive or inexpensive (such as discounted or donated goods or services). Upon review of the proposal, the DHPA reserves the right to adjust the scope of work or the grant request in cases where the project budget is out of line with the products to be created.*

12 pts   6. Projects whose sponsors have not received funding through the DHPA's grants program within the last three fiscal years. *Indicate whether or not the project sponsor has ever received funding in the past from the DHPA, and list the years in which any grant assistance was received. Note that past performance of sponsoring organizations on DHPA-funded grant projects is documented and will be considered.*

12 pts   7.   Projects that will be undertaken by a governmental agency that has been designated by the National Park Service as a Certified Local Government (CLG) for the purpose of carrying out historic preservation activities. *Currently there are seventeen CLGs in Indiana: Bloomington, Crown Point, Elkhart, Evansville, Fort Wayne, Huntington, Lafayette, LaPorte, Logansport, Mishawaka, Monroe County, Muncie, Nappanee, New Albany, Richmond, South Bend, and St. Joseph County. Indicate whether or not the project sponsor is a Certified Local Government. Projects that are "co-sponsored" by a CLG and another entity will only receive 6 points.*

10 pts   8.   Projects whose sponsors can show evidence of broad-based community support by submitting letters endorsing the proposed project. *These letters of support must be original, project-specific, and current, and should not be from any person or organization directly associated with the applicant. Support letters should be sought from historical societies, neighborhood organizations, elected officials, local businesses, and/or any other groups or individuals that might have an interest in the project. Submit these letters along with the project application, or have the authors forward them directly to the DHPA no later than the grant application deadline. The number of points awarded for this item depends on the number and variety of support letters submitted. Note that form letters and signed petitions are NOT counted. Applicants should limit their support letters to no more than 20.*

8 pts   9.   Projects whose sponsors have 100% of the matching share on-hand and documented. *In addition to the signed Matching Share Form, provide copies of bank statements, university research program budgets, local government departmental budgets, or other documentation to demonstrate that all of the matching share funds are available. Applicants that claim to have 100% of the matching share but do not document it will NOT receive full credit. Applicants that can document only 75% to 99% of the matching share will NOT receive full credit. Applicants that have less than 75% of the required matching share, documented or not, will not receive any points.*

8 pts   10.   Projects whose sponsors will use a matching share consisting of any combination of cash and in-kind services, with volunteer services not to exceed 10% of the total amount of the matching share. *Describe the match to be used and provide a breakdown if two or more match types are to be included. Maximum points will be given for a match consisting totally of cash or in-kind contributions, or a combination match that includes no more than 10% volunteer services. Project matching shares that include 11% to 25% volunteer services will receive only partial credit. Any pledges of volunteer labor or in-kind donations of goods or services MUST be documented in writing by the donors and be included with the Matching Share Form.*

6 pts   11.   Projects whose sponsors are minority or disadvantaged organizations. *Explain how the project sponsor (the applicant organization) qualifies as a minority or disadvantaged organization or directly serves a minority or disadvantaged group (ethnic background, language, culture, religion, socio-economic conditions, gender).*

6 pts   12.   Projects whose sponsors have submitted a complete application. *The application must contain all of the completed forms and required information, and must be received by the DHPA prior to the published grant deadline. Applicants are strongly encouraged to submit their applications early so that the DHPA Staff can verify that they are complete. Applications missing any parts after the application deadline will not receive these points, and may receive reduced scores for other priorities.*

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142 Points Possible

FY2008 HPF GRANT PROGRAM GUIDELINES
(Proposed changes for 2008 are indicated in bold type)

The Historic Preservation Fund (HPF) is a program of the U.S. Department of the Interior, National Park Service that is administered in Indiana by the Department of Natural Resources, Division of Historic Preservation and Archaeology. The following items are the federal program guidelines and requirements and state procedures and policies used to administer this program. These guidelines are intended to foster the careful and responsible use of the limited grant funds available for cultural resource management to provide the greatest public benefit to the current and future citizens of Indiana. Grant applications are reviewed by professional staff, measured and scored against publicly approved evaluation criteria, selected for funding on a competitive basis, and approved for funding by the State Historic Preservation Review Board.

Eligibility Requirements
Eligible applicants include municipal government entities, educational institutions, and not-for-profit organizations with 501(c)(3) tax-exempt status. Private individuals and for-profit entities are not eligible to receive funds.

Properties that will be the subject of feasibility studies or plans and specifications for future rehabilitation activities must be listed in the National Register of Historic Places.

Properties that will be rehabilitated with federal funds must be listed in the National Register of Historic Places, should be open and available to the public on a regular basis (unless closed for public safety reasons), and must be non-income-producing. However, properties that meet these criteria but are owned by active religious organizations are not eligible to receive funding for rehabilitation activities due to separation of church and state regulations that govern this federal program.

Reimbursement
Grant funds are paid out on a reimbursement basis after submission of proper documentation that project costs were incurred and paid by the grant recipient.

Standard Funding Ratios
It is imperative to foster continued data collection about the location and significance of both above-ground and below-ground historic and cultural resources in order to support state and federally mandated review and compliance activities. To this end, all survey activities will be funded on a 70/30 basis (70% federal share / 30% local share). All other projects will be funded on a 50/50 basis (50% federal share / 50% local share).

Source of Matching Funds
Local matching funds to the grant must be non-federal in origin. Federal pass-through grants, such as Transportation Enhancements (TE) and Community Development Block Grants (CDBG), cannot be used as matching funds to HPF grants. Acceptable forms of match include cash from state, local, and private sources, as well as the fair market value of donated goods and professional services, and volunteer labor valued at minimum wage plus one dollar ($6.15/hour).

Standard Award Limits
The minimum grant award for any project category is $2,000.
The maximum grant award for the Architectural and Historical Category is **$35,000 (increased from $30,000)**.
The maximum grant award for the Archaeological Category, Subcategory I is $50,000.
The maximum grant award for the Archaeological Category, Subcategory II is $10,000.
The maximum grant award for the Acquisition and Development Category is $50,000.

Funding requests must fall within these parameters. If the project runs over budget, so that the actual project costs exceed the amount of the grant plus the required local match, the local grant project sponsor must bear the additional costs.

Categorical Funding Ratios

Once Indiana's HPF allocation is determined each year, staff will target approximately 75% to 80% of this amount for distribution as grants. Of the remaining funds, approximately 10% of the total HPF allocation will be reserved for cooperative agreement projects. Therefore, approximately 85% to 90% of HPF funds will be redistributed to assist local projects each year. The remaining funds will be used to support the production of publications and public education materials, several office intern positions, and certain State Historic Preservation Office operation needs.

The amount of funding that is set aside for HPF grants will be divided among the three project categories according to pre-determined funding ratios from the following sliding scale. Based on the demonstrated demand for funds in the three project categories over the last ten years, the following sliding scale represents what staff believes is the most fair distribution of funds in light of funding demand trends, the volatility of recent Congressional appropriations for the HPF program, and the uncertainty of future HPF funding levels. The sliding scale also provides for pre-approved and instantaneous direction for the categorical allocation of funds in the event that Congress does not pass the Department of the Interior spending bill (which includes HPF appropriations) until after the Review Board considers grant funding recommendations at its January meeting. (This situation occurred in FY2003, but the existence of the sliding scale prevented delays in project initiation.)

At the top of each "column" is a range for the amount of grant funds available and a set of allocation percentages for the three project categories. For example, if funding for the HPF grants program is set at $625,000, which falls within the range covered by Column 4, then the Architectural & Historical category would receive $125,000 (20% of $625,000). The dollar figures within each column represent the high and low ends of the range for categorical funding amounts based on the allocation percentages. These funding allocations balance the need to accommodate vitally important survey programs for historic structures and archaeological sites while responding to the public's increasing demand for bricks-and-mortar funding. Note that in 2003 through 2006, the amount set aside for grants fell within the range covered by Column 3.

Money Available for Grants	:	Column 1		:	Column 2		:	Column 3		:
If funding is at least:	:	$300,000		:	$400,000		:	$500,000		:
But less than:	:	$400,000		:	$500,000		:	$600,000		:
Architectural & Historical	:		35%	:		27%	:		22%	:
minimum allocation	:	$105,000		:	$108,000		:	$110,000		:
maximum allocation	:	$140,000		:	$135,000		:	$132,000		:
Archaeological	:		30%	:		28%	:		25%	:
minimum allocation	:	$ 90,000		:	$112,000		:	$125,000		:
maximum allocation	:	$120,000		:	$140,000		:	$150,000		:
Acquisition & Development	:		35%	:		45%	:		53%	:
minimum allocation	:	$105,000		:	$180,000		:	$265,000		:
maximum allocation	:	$140,000		:	$225,000		:	$318,000		:

Money Available for Grants	Column 4	Column 5	Column 6
If funding is at least:	$600,000	$700,000	$800,000
But less than:	$700,000	$800,000	$900,000
Architectural & Historical	20%	19%	18%
minimum allocation	$120,000	$133,000	$144,000
maximum allocation	$140,000	$152,000	$162,000
Archaeological	24%	23%	22%
minimum allocation	$144,000	$161,000	$176,000
maximum allocation	$168,000	$184,000	$198,000
Acquisition & Development	56%	58%	60%
minimum allocation	$336,000	$406,000	$480,000
maximum allocation	$392,000	$464,000	$540,000

Note: If the amount of funding available for the HPF grant program ever exceeds $900,000, staff recommends maintaining the funding allocation percentages shown in Column 6.

Staff will revisit the sliding scale percentages every second year (for the program cycles in even-numbered years) and compare them against statistical data for the previous three-year period, including the average demand for grant funds in each category. This method should control for sudden spikes or drops in both the demand for and availability of grant funds and still respond to changes in the categorical demand for grant funding.

Grant Selection Procedures
DHPA Staff and the State Historic Preservation Review Board will follow these procedures to select grant projects for funding.

I. DHPA Staff develops grant evaluation criteria and grant program guidelines.
   A. DHPA Staff revisits the grant evaluation criteria and grant program guidelines from the previous year, considers changes, and drafts revisions to the evaluation criteria and guidelines for the next funding round to keep the program responsive to identified preservation needs in the state.
   B. DHPA Grants Staff posts the draft grant evaluation criteria and grant program guidelines on the division's website a minimum of sixty (60) days prior to the cut-off point of the public comment period.
   C. DHPA Grants Staff notifies the public of the availability of the draft grant evaluation criteria and grant program guidelines a minimum of sixty (60) days prior to the cut-off point of the public comment period.
   D. DHPA Grants Staff collects written comments on the draft criteria and guidelines up to the cut-off point of the public comment period.
   E. DHPA Grants Staff provides recommendations to the State Historic Preservation Review Board, indicating:
      1. Revisions to the grant program guidelines;
      2. Revisions to the sliding scale funding guidelines for the three project categories;
      3. Revisions to the grant evaluation criteria (Administrative, Architectural and Historical, Archaeological, and Acquisition and Development), including the point value of each criterion and the minimum Administrative score required to qualify for grant funding.
   F. DHPA Grants Staff presents all public comments received on the draft criteria and guidelines to the State Historic Preservation Review Board at its summer meeting.
   G. The State Historic Preservation Review Board reviews Staff's recommendations, considers public comments received, makes any appropriate changes, and formally approves the criteria and guidelines for the next funding cycle.

II. DHPA Grants Staff solicits and accepts grant proposals.

A. DHPA Grants Staff prepares grant application materials that include the evaluation criteria and program guidelines approved by the State Historic Preservation Review Board and sets the date of the grant application deadline.
B. DHPA Grants Staff posts the application materials on the division's website a minimum of sixty days (60) prior to the grant application deadline.
C. DHPA Grants Staff advertises the availability of grant application materials a minimum of sixty (60) days prior to the grant application deadline.
D. DHPA Grants Staff receives and records grant proposals up to the application deadline; late proposals are not accepted.

III. DHPA Staff evaluates, scores, and ranks grant proposals.
A. DHPA Grants Staff conducts technical reviews of grant proposals to determine that each is complete; additional information or forms are requested from the proposal authors, if necessary.
B. DHPA Grants Staff establishes a five-member review committee for each project category.
   1. Each committee includes two Grants Staff members who meet 36 CFR 61 qualifications.
   2. Each committee includes three Program Area Staff members who meet 36 CFR 61 qualifications in disciplines relevant to the work items allowed in the project category.
C. Review committee members read and score grant proposals independently, then meet as a group to discuss each project and the corresponding scores.
D. The Grants Staff prepares the ranked list based on the committee members' scores.
   1. All five scores for each criterion are recorded.
   2. The highest of the five scores for each criterion is eliminated.
   3. The lowest of the five scores for each criterion is eliminated.
   4. The remaining three scores for each criterion are averaged to one decimal place.
   5. The sums of the averaged scores for the Administrative and categorical evaluation criteria are computed; projects that meet or exceed the minimum Administrative score will be recommended for funding; projects that do not meet the minimum Administrative score will not be recommended for funding. (See "Minimum Administrative Score" below.)
   6. The Administrative and categorical evaluation criteria scores are added together to compute the total project score; the ranked list for each project category is prepared by arranging proposals from highest to lowest total project scores; any proposals not recommended for funding are automatically placed at the bottom of the list, regardless of their score.

IV. DHPA Grants Staff prepares funding recommendations for the State Historic Preservation Review Board.
A. DHPA Grants Staff prepares an information packet for the State Historic Preservation Review Board that summarizes the details of the HPF Program grant round, including:
   1. The overall demand for funds, a breakdown of the demand for funds by project category, and other pertinent statistical information.
   2. The amount targeted for distribution as subgrants, if known at that time.
   3. The amount proposed for distribution as subgrants to Certified Local Governments, if known at that time.
   4. The ranked list for each project category.
   5. A summary of each grant proposal that lists the name of the project, the name of the applicant, the total project score, the federal and non-federal shares of the project budget, the amount of grant funding recommended, a brief description of the project, and any pertinent staff comments.
B. DHPA Grants Staff forwards the funding recommendations packet to the members of the State Historic Preservation Review Board at least ten (10) days prior to its winter meeting.
C. Members of the State Historic Preservation Review Board review the funding recommendations packet prior to the meeting.

V. State Historic Preservation Review Board formally approves grant funding awards.
A. DHPA Grants Staff presents the staff's comments at the meeting of the State Historic Preservation Review Board and asks the Board to approve the funding recommendations for Certified Local Governments, the Architectural and Historical Category, the Archaeology Category, and the Acquisition and Development Category.

B. Members of the Review Board direct questions about specific proposals, project categories, and the overall program to the DHPA Grants Staff.
C. Members of the Review Board recuse themselves from voting on any category if they have a conflict of interest (or the appearance of conflict of interest).
D. The State Historic Preservation Review Board votes to approve funding for the project categories; in the event that the amount of Indiana's HPF allocation is unknown prior to the meeting, the Review Board votes to approve the ranked lists of projects in each category so that grant awards can be made once the categorical funding levels are determined.
    1. The Review Board votes to approve grant proposals from Certified Local Governments to insure that Indiana meets its required minimum 10% pass-through to CLGs.
    2. The Review Board votes to approve grant proposals as ranked in the Architectural and Historical Category, including transferring any remaining funds to the other categories, if necessary.
    3. The Review Board votes to approve grant proposals as ranked in the Archaeological Category, including transferring any remaining funds to the other categories, if necessary.
    4. The Review Board votes to approve grant proposals as ranked in the Acquisition and Development Category, including transferring any remaining funds to the other categories, if necessary.

Minimum Administrative Score

Regardless of project category, each grant application must include responses to the Administrative Priorities. This set of evaluation criteria examines the past performance of project staff, the budget and timetable for the proposed project, the type and availability of matching funds committed to the project, and other basic factors that pertain to all projects. The Administrative Priorities are intended to insure that proposals are properly formulated, include reasonable and realistic budgets and timetables, include the necessary documentation to prove project readiness, and have key personnel with past track records of satisfactory performance. A low score on the Administrative Priorities reduces a project's overall chances of being funded; however, there is a minimum threshold that proposals must meet to be recommended for funding.

The Administrative Priorities have a total of 142 points, but 12 of these are reserved only for grant proposals from Certified Local Government communities. Therefore, there are 130 administrative points potentially available to ALL grant proposals. Based on the evaluation criteria, DHPA Staff have determined that proposals must score a minimum of **65.0 (increased from 62.0)** points in order to demonstrate an adequate level of project readiness and a reasonable likelihood of a timely and successful completion of the project. Any proposals that do not score at least **65.0** points on the Administrative Priorities will not be recommended to the State Historic Preservation Review Board for funding consideration.

Reallocation of Funds

In rare cases, grant projects fail to achieve their objectives, either in whole or in part. When a grant funding offer is declined or a grant agreement is terminated at the beginning of the project cycle, there is often enough time to initiate and complete a new project using the remaining grant funds. However, when a project cancellation or a major reduction in the scope of work occurs in the middle or at the end of the grant cycle, it is not possible to initiate and complete a new project due to the relatively short duration of the federal grant cycle and the "use-it-or-lose-it" policy that governs this federal program. In this case, remaining grant funds must be reallocated to existing grant projects and/or DHPA operating expenses and office needs.

When enough time permits, the DHPA Grants Staff may use the funds remaining from a cancelled project to make a grant award to the top-ranked unfunded project in the same category, as long as that project was recommended for funding. However, if the amount of funding available is not enough to constitute a meaningful grant award to that project, the DHPA Grants Staff may consider funding the top-ranked unfunded project in another category where there may be a better match between the amount of funds available and the amount of funds requested. If it is not convenient to make a funding award to a top-ranked unfunded project, the remaining funds can be used to assist other activities through cooperative agreements.

At the end of the grant cycle, unused funds are normally reallocated to projects that have gone over budget and have documented "local overmatch" of the federal grant funds. Any additional grant payments are still subject to the

same local match ratio requirements, but the additional payments may exceed the maximum categorical grant award limits if it is necessary to do so in order to use all of the remaining funds. First priority for reallocation of funds will be given to projects that request such assistance in writing during the active period of the project. After formal written requests for additional funding assistance have been honored, preference will be given to not-for-profit organizations ahead of municipal governments and educational institutions.

Certified Local Governments

The National Park Service requires that a minimum of 10% of each state's annual HPF allocation be distributed to municipalities that have been federally designated as Certified Local Governments. Indiana currently has seventeen (17) CLG communities: Bloomington, Crown Point, Elkhart, Evansville, Fort Wayne, Huntington, Lafayette, LaPorte, Logansport, Mishawaka, Monroe County, Muncie, Nappanee, New Albany, Richmond, South Bend, and St. Joseph County. CLGs compete for grant funds with all other applicants, but they are given a competitive advantage in the evaluation criteria. If the state does not meet its minimum 10% pass-through quota to CLG communities, the remaining portion of that amount is retained by the National Park Service and is no longer available to the state. Therefore, it is imperative to fund enough CLG projects to meet the minimum 10% pass-through quota each year.

If the 10% CLG quota is not met through the grant round because not enough CLG grant proposals are submitted and/or funded, the DHPA will investigate options to fund one or more cooperative agreements to CLGs in order to meet and exceed the minimum requirement. However, if CLG grant projects are cancelled in the middle or at the end of the grant cycle, it will not be possible to initiate and complete new CLG projects. In such cases, the DHPA Grants Staff will reallocate uncommitted CLG funds to existing CLG grant projects. This will be achieved by increasing the federal funding ratio evenly among all CLG projects until the minimum quota is met. For example, the federal funding ratio for all CLG projects might be raised from 50% to 58%, if such an increase would bring the state's CLG commitments above the minimum quota level. This will prevent the state from losing any of its annual federal funding.